



GARY R. HERBERT
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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 14, 2011

Certified Return Receipt
7004 1160 0003 0191 9363

John Hewitt
Interstate Brick Company
9780 South 5200 West
West Jordan, Utah 84088

Subject: Evaluation of Reclamation Surety, Interstate Brick Company, Allred Mine,
M/049/0029, Utah County, Utah

Dear Mr. Hewitt:

The Division of Oil, Gas and Mining has evaluated the reclamation surety for the Allred mine and has determined that no adjustment in the surety is required at this time. The Division's last reclamation cost estimate for the Allred mine was completed in 2005 and escalated to 2010 dollars. The Division will now consider that the surety bond is escalated to November 3, 2016. The current surety amount is \$121,200.00 and the amount required according to the escalation calculations is \$120,200.00 (see enclosed spreadsheet).

Please call me at 801-538-5261 or Lynn Kunzler at 801-538-5310 if you have questions about this action.

Sincerely,

Paul B. Baker
Mining Program Manager

PBB:pb

Attachment: Escalation spreadsheet

cc: Peggy Kelsey, Utah County

P:\GROUPS\MINERALS\WP\M049-Utah\M0490029-Allred\final\escalate-09012011.doc



Allred Mine Surety Escalation	M/049/0029		August 31, 2011	
	Percentage increase/year		Surety amount in <year> dollars	
	2001	4.21%	1.0421	
	2002	2.02%	1.0202	\$0.00
	2003	1.71%	1.0171	\$0.00
	2004	0.84%	1.0084	\$0.00
	2005	3.99%	1.0399	\$97,502.00
	2006	5.44%	1.0544	\$101,392.33
	2007	2.12%	1.0212	\$106,908.07
	2008	-3.40%	0.966	\$109,174.52
	2009	2.90%	1.029	\$105,462.59
	2010	1.80%	1.018	\$108,521.00
	2011			\$110,474.38
	2016		1.017	\$120,189.45
Rounded to nearest \$100				\$120,200.00

Note: The surety amount is listed in the row of the year in which it was calculated.
The escalation factor for a year is applied to the surety amount to take it to the next year.